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**THE IMPACT OF CULTURAL ORGANIZATION IN LABOR  
FORCE MANAGEMENT. STUDIES FROM THE EU-27  
DATABASE**

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**Abstract:**

The European Union has been dealing with an increasing unemployment in several member states. There is a shortage in the demand for labor. National and EU institution try to solve these challenges by different means. The appliance of cultural organization techniques from management theory is such a need.

The purpose of this paper is to study the attempts of EU member states in creating a more efficient and effective institutionalized system for the labor market using cultural organization as a mean to decrease unemployment, increase the demand of labor and better placement for the European workforce.

*Key words: labor market, unemployment, cultural organization, workforce*

## **1. Introduction**

In today's volatile Economy, unemployment has become a major issue. There are several reasons for this, from increasing social inequality (measured by the Gini coefficient) in undeveloped countries, to the influence of technology and migration in developed ones.

There is a particular case for the European Union. Inside the EU unemployment has increased ever since the right for free labour to all member states has been introduced. Since then the EU has been the subject to social dumping where companies change their location where the labour market is cheaper and by doing so, unemployment increases in the region which they leave. In a different scenario, people migrate from developing countries to the developed ones in search for safer economic environments and are willing to work for less than the average salaries in the specific countries. This action leads to an increasing unemployment for the domestic labour force. Technology has also influenced unemployment as fewer jobs are demanded in fields like industry or agriculture whereas the service sector seems to be the only one increasing in terms of employment.

Dealing with unemployment has somehow become diverse since the development of several sciences like management. Training and coaching can be used to help people get back in the labour market. More so, in today's society, the labour force is under the so called life learning process. In an effort to reconfigure their profession, employees tend to learn throughout their existence, in order to change their field of activity. For this reason, institutions dealing with unemployment can inspire form management techniques, not just

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like training or coaching, in order to help people get back in the labour market. Cultural organization, for example, offers a lot of tools for former employees to enter back on the labour market.

## **2. Institutionalised means of managing unemployment in the EU.**

In order to understand how labour agencies can become more efficient, it is relevant to present them. In this paper we will present the Institution dealing with unemployment in Romania.

The National Employment Agency was funded through the Law number 145/1998, approximately 7 year later after Romania recognises the unemployed existence and adopted the Law number 1/1991 for the unemployed social protection and professional activation. This Agency represented the Romanian public employment services, that in the beginning the main activity and attribution was to give the unemployed the allowance, as a measure for the unemployed social protection. The National Employment Agency was funded in order to offer similar Employment Public Service of the European Union, to develop employment services for the jobseekers and the employers. Now the National Employment Agency offers professional services for jobseekers, professional counseling, professionalization training courses, outplacement services, labor mediation, starting a business advises, credit facilities to create new jobs and more. The Law number 202/2006 with the subsequent amended and completions, specified how the Agency is organised and work. Romania has become member state of the European Union in 2007, and starting from 2007 the ANOFM is part of the EURES network for the labour market mobility, and has an important role in the achievement of the European targets for employment. The Agency is in charge since 2007 with the recruitment and the placement process of the labour force abroad and its monitoring process. The ANOFM is also applying the bilateral signed agreements between Romania and other countries, especially EU Member States and EEA, on the exchange of labor. The National Employment Agency is led by an Administration Council formed by Government representatives, as well as representatives of trade unions at the national level. Each regional agency and the Bucharest agency have the Consultative Council. The Administration Council is in charge to approve the annual programme for employment and training, to approve the budgetary projections for unemployment assistance rates, as well the activity plan for EURES

The National Employment Agency subordinates 41 regional agencies, from which 70 local agencies and 141 working points, 8 regional centres for the unemployed training course, 8 regional professionalization centre for adults and the National centre for the agency staff for professionalization Rasnov. Even though this agency is doing its best to cope with unemployment, it is clear that the National Employment Agency must calibrate itself with current challenges in trends worldwide

## **3. Current Methods of Improving the Labour Market**

A general trend is that of the European Union's Europe 2020 strategy in terms of the labour market.

One of Romania's national targets of Europe 2020 strategy is to raise the employment rate to 70% below the 20-64 age groups. In 2013 in the European Commission assessment of the National Reform Program and Convergence Programme for Romania defined this target to be ambitious to accomplish, regardless the raise of the

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employment rate. The document describes the national employment services to have low quality and coverage and to have insufficient institutional capacity. The European Commission recommended through this document to the National Employment Agency to better integrate the active and passive labour market, taking into account the unemployed needs and skills profiles (European Commission, 2013).

For 2013-2014 period one of the Romania specific recommendation from the Council of the European Union was to increase the quality and the coverage of the National Employment Agency by enhancing his capacity (Council Recommendations, 2013).

To implement the country specific recommendation, the Romanian Government, from the European Social Funds enhance the capacity to provide services for unemployment of 95 employment agencies to use “self-service”, and intended to develop the capacity to provide “self-service” capacity of other 303 employment strategies, through other 15 projects. Were developed 20 projects, for the staff professionalization and training of the National Employment Agency and the subordinate employment agencies. The projects aimed to develop the professional competences of 7589 agencies staff. Through 3 implemented projects and other 7 signed projects 186 local employment agencies and working places adopted ISO 9001/2008 standard for quality management. To develop the institutional capacity the Government proposed for the following 12 months to develop and update the informational system of the National Employment Agency for a better implementation of their programmes and projects, and to create a database of the youths not in education, employment or training (NEETs). For the same period the Romanian Government also proposed to externalise parts of their services to private providers, and also they proposed semester analysis / studies on weather developments in the labor market done by the National Employment Agency to anticipate and to respond to the labour market changes (Romanian Government, 2014).

After the implementation of the Government measures, in the assessment of the 2014 National Reform Programme and Convergence Programme for Romania the European Commission highlights the limited progress that Romania did for the labour market participation. The previous described and implemented measures of the Romanian Government were not enough in order to respond to the country specific recommendation, and the capacity of the National Employment Agency was still needed to be improved. The European Commission still described the employment services as no quality public employment services, and identified the solution to anticipate the jobseekers and employers needs, the labour market needs and trends through diversified and flexible services and measures (European Commission, 2014).

As a response of the Romanian economic and social context the Council of the European Union has examined the Romanian Convergence Programme and recommends in the period 2014 – 2015 to strength the capacity of the National Employment Strategy and the active labour market measures (Council Recommendations, 2014).

The European Social Fund had an important role in order to implement the Council recommendations and the National Employment Agency adopted measures similar with the previous period 2013-2014, and 111 local employment agencies modernised their structures by providing self-services, and in order to develop professional competences for the National Employment Agency, 2000 experts participated in training courses. Also other 48 agencies have been accredited for the quality management system (Romanian Government, 2015).

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The Country Report Romania 2015 of the European Commission make the same observation as in the previous year, that Romania makes small progress to the labour market conditions and integrations of the labour market. The activation of the young people was still a challenge for the National Employment Strategy, even if the Agency had developed an integrated database for the non-registered not in education, employment or training. One of the key factors of that determinates the National Employment Agency to not develop and implement personalised jobseekers and employers are the country limited resources. The European Commission highlights the opportunity to gain resource autonomy in the Agency develop new partnerships with social partners, private service providers and strategic employers. In order to ensure a better transparency of the labour market supply and demand, Romania engaged to accelerate the professional card programme, as well as updating the National Employment Agency portal (European Commission, 2015). The professional card is used by the jobseekers, and through this card they have access to information about jobs and the employers can promote their vacancies. For the National Employment Agency this card represents an instrument for profiling the jobseekers and an instrument used for training and to correlate the demand and supply of the labour market.

Based on the Commission assessments the Council of the European Union hereby recommends that Romania take action to ensure that the National Employment Agency is adequately staffed (Council Recommendations, 2015).

In the period 2014-2015 Romania implemented actions in order to enhance the human resource management in the National Employment Agency and its institutional capacity. There have been created: The ANOFM services catalogue; the Timetable for analysis and review of the legislative framework for employment 2016-2020; and the Estimated timetable of the ANOFM interventions funded through POCU. The National Employment Agency started the procedure in order to profiling profiles of the jobseekers in order to get approved and committed the engagement to start the procedure to adequately staff the National Employment Agency staff and experts from April 2016 to June 2016 (Romanian Government, 2016).

In 2016 the European Commission assessment on Romania concludes that even the labour market condition has been broadly stable the employment rate is below the targets. The National Employment Agency has limited progress to attract vacancies or to offer attractive services for the employers. Also the electronic registration card introduced in some regions of Romania does not have a clear impact of the labour market participation. The National Employment Agency also started the profiling and segmentation of the jobseekers and unemployed persons but the plans and procedures in order to sustain and to offer support and personalised services based on the individual needs and background are not clear (European Commission, 2016).

The Council of the European Union based on the examination of the Romania Convergence Programme, hereby recommend taking action in 2016 and 2017 to create tailoring services according to the jobseekers profiles, to link this services with the social services and to enhance the National Employment Agency capacity to reach the unregistered youths (Council Recommendations, 2016). The procedures to provide tailor made services for jobseekers have been created but not implemented, and the cooperation between the social services is very limited, so the Council recommends linking these tailor-made services with the social assistance, including social services (Council Recommendations, 2016, revised).

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Even though these measures and methods are important, they are not enough when taking into consideration the entire European context of unemployment.

## 4. Using Cultural Organization and its tools in order to reduce Unemployment

As presented in the previous chapter, even though unemployment institutions such as the ones presented above try to deal with unemployment in several ways, a method that has been used in management can be used to increase the percentage of people that get employed.

Such is the tool used in management and called cultural organization.

Organizational culture or cultural organization encompasses values and behaviors that "contribute to the unique social and psychological environment of an organization." According to Needle (2004), organizational culture represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, strategy, type of employees, management style, and national culture; culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.

The aim of cultural organization is to create leaders or managers or perhaps just well prepared employees by relating them to a set of symbols and norms that are specific for the company and by doing so, creating devotion to the company for those working in it.

Can such symbols, values, norms and systems be useful for agencies preparing people for the labour market, especially those who are unemployed? The answer is yes. Even though there are specific values, symbols or assumptions in company, unemployed personnel can be thought about the general value and importance of an organization's vision, mission, norms, values, language, beliefs, etc.

In a world where life long learning had developed at a high standard, management techniques like those of organizational culture can be used to better prepare future employees for the labour market. As we can see in **Figure 1**, the aim of Organization Cultural is to develop leaders, teamwork, cultivate awareness and prepare employees who are more flexible and can adapt to change. These are all requirements for the modern labour market where multinational companies and corporations operate. By applying general standards of organizational culture to the unemployed, this type of personal will become more appealing to companies in search of well trained employees.

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Fig.1

In order to prepare the future employees by applying techniques from organizational culture it is necessary for employment agencies to increase their activities in terms of educations.

Teaching principles of organizational culture can be achieved through training and coaching methods, seminars, practice, etc. All these methods can be applied as they are very easy to integrate in the general landscape of the life learning process.

Employees who are educated in terms of organizational culture and its instruments can easily shift from on field to another, a general rule, which is available in the job reconfiguration process that is taking place worldwide.

## 5. Conclusion

The evidence from the previous chapter demonstrates that there are many advantages to applying organizational culture methods to training the unemployed personal by employment agencies. Management has shifted as a whole in the last decade to the importance that is the human resource. With more attention than ever given to this resource, several techniques used by International Corporations can be adapted by employment agencies. Training and coaching can make use of generic symbols, values and norms to make the unemployed better understand the needs that modern companies require from them.

These tools can also make employees more flexible and more adaptable into choosing jobs in several, different fields of activity. Thus they will no longer have the skills for just one field of activity, but rather have the options to move to other fields of activities that please them more.

Another important asset of learning organizational culture methods is the ability to train leaders. Leaders are needed in every modern organization and could represent an important advantage for those in search of a job.

In conclusion in trying to handle the unemployment problem, European Agencies confronted with the Europe 2020 Strategy can look at more modern approaches towards

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employing personnel, by following some of the most efficient and effective tools and methods that the science of management has developed over time.

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